

## **BUREAU OF AUTOMOTIVE REPAIR**

### **INITIAL STATEMENT OF REASONS**

Hearing Dates: January 10 and 13, 2000

Subject Matter of Proposed Regulations: Automotive Air Conditioning Requirements  
And Standards

Sections Affected: Sections 3351.6 and 3366

Problem Addressed:

Many differing rules and requirements lead to much confusion in the air conditioning repair industry, amongst consumers, and regulatory agencies like the Bureau of Automotive Repair charged with consumer protection.

For example, even though the United States Environmental Protection Agency (USEPA) banned the production and importation of CFC-12, or its brand name, freon, a common refrigerant used in automotive air conditioning systems, it did not require the repair of leaking auto air conditioning systems prior to recharging them with CFC-12. However, some local air quality control agencies in California have adopted stricter rules that do require repair of leaking air conditioning systems prior to recharging. Yet, they also may adopt different rules, thus furthering industry and consumer confusion on this issue.

One rulemaking difference covers two of the state's largest air metropolitan areas. The South Coast Air Quality Management District (SCAQMD) only requires repair of leaks in air conditioning systems that use CFC-12 prior to recharging, whereas the Bay Area Air Quality Management District (BAAQMD) requires the repair of air conditioning system leaks prior to recharging no matter what type of refrigerant is used.

In addition to the recharging issue, the Bureau has identified several other areas, which need to be addressed. These include the following:

- Legal vs. illegal use of refrigerants;
- Use of dangerous flammable refrigerant substitutes;
- Failure to identify the refrigerant in use;
- Repair shop theft of refrigerants from consumer air conditioning systems;
- Inaccurate diagnosis and repair cost estimates by the industry;

- Failure to disclose to consumers whether air conditioning systems are recharged with a new or recycled refrigerant;
- Inappropriate advertising of air conditioning system services; and
- Most of the recovery and recharging equipment used by the industry to service air conditioning systems has not been certified by the local county Weights and Measures departments. As a result, conflicts have arose relating to how a repair shop can itemize the amount of refrigerant removed from or added to an air conditioning system.

Specific Purpose of Regulatory Proposal:

Proposed regulations would provide guidelines on specific equipment requirements and establishes industry standards for automotive air conditioning repair shops engaged in such repairs. These regulations would address a concern in the enforcement area for the Consumer Protection Operations portion of the Bureau.

Factual Basis:

The Bureau registers more than 33,000 automotive repair dealers annually. For the fiscal year 1998/99, Bureau representatives received 28,724 written consumer complaints. Of the 28,724, a total of 28,220 complaints were closed. 1,679 (8%) of the closed complaints were air conditioning/cooling system related which resulted to 3,082 total allegations filed by subject. A breakdown of allegations specifically by major subject shows that approximately 1,278 (41%) of the complaints were related to competence/negligence, 13% (416) alleged false and misleading statements, another 13% (389) were allegations regarding damages to other parts of the vehicle, 12% contractual (355), and 3% (107) were fraud related.

In early 1999, the Bureau's leadership mapped out its plan to address key enforcement areas for the Consumer Protection Operations portion of the Bureau. Air conditioning service and repair was one of the areas highlighted as needing immediate attention and one which would continue to build on California's role as a consumer protection leader in the automotive service and repair market.

On March 2, 1999, the Bureau initially met with the automotive industry leadership and government regulators associated with the air conditioning repair issue to identify and discuss key problem areas. The goal was to establish standards in the area of automotive air conditioning. Another follow-up meeting was held on May 6, 1999. At the conclusion of the meetings, both industry leadership and government regulators agreed that the proposed regulations were necessary to resolve the confusion and problems that are currently occurring in the automotive air conditioning repair industry.

Underlying Data:

None

Business Impact:

Proposed regulations require automotive repair dealers who choose to offer air conditioning service to purchase refrigerant identification equipment and refrigerant leak detection equipment. However, these regulations will have no adverse economic impact on businesses.

Specific Technologies or Equipment:

The technologies and equipment currently available to automotive repair dealers are adequate to comply with these proposed regulations. The Society of Automotive Engineers (S.A.E.) already sets standards for the equipment required by these proposed regulations.

Consideration or Alternatives:

No alternative, which was considered, would be either more effective than or equally as effective and less burdensome to affected private persons than the proposed regulatory recommendations.